

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 2/25/14	(3) CONTACT/PHONE James Caruso, Senior Planner / 781-5708	
(4) SUBJECT Continued item from February 11, 2014- Request to approve a resolution that establishes an Approved Water Conservation Program for new development in the Paso Robles Groundwater Basin, thereby implementing a portion of Ordinance 3246, an urgency ordinance covering new development and new irrigated crop production overlying the Paso Robles Groundwater Basin; California Environmental Quality Act (CEQA) Exemptions Sections 15301, 15307, 15308. This item has been amended to include revisions to the February 11, 2014, staff report and a revised resolution. Districts 1 and 5.			
(5) RECOMMENDED ACTION It is recommended that the Board adopt and instruct the chairperson to sign the attached resolution that would implement Option 2 as outlined in this staff report and direct staff to contract with a firm to manage the Approved County Water Conservation Program for new development in order to implement Ordinance 3246.			
(6) FUNDING SOURCE(S) Department Budget	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input checked="" type="checkbox"/> Board Business (Time Est. <u>60 minutes</u>)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: continued from 2-11-14	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) Districts 1 and 5			

County of San Luis Obispo



TO: Additions, subtractions and corrections to the Board of Supervisors Agenda

FROM: Planning and Building / James Caruso, Senior Planner / 781-5708

DATE: 2/25/14

SUBJECT: Continued item from February 11, 2014- Request to approve a resolution that establishes an Approved Water Conservation Program for new development in the Paso Robles Groundwater Basin, thereby implementing a portion of Ordinance 3246, an urgency ordinance covering new development and new irrigated crop production overlying the Paso Robles Groundwater Basin; California Environmental Quality Act (CEQA) Exemptions Sections 15301, 15307, 15308. This item has been amended to include revisions to the February 11, 2014, staff report and a revised resolution. Districts 1 and 5.

RECOMMENDATION

It is recommended that the Board adopt and instruct the chairperson to sign the attached resolution that would implement Option 2 as outlined in this staff report and direct staff to contract with a firm to manage the Approved County Water Conservation Program for new development in order to implement Ordinance 3246.

DISCUSSION

Your Board has directed the Department to create a water conservation program for new development and an irrigated agriculture water conservation program for the implementation of the Offset Clearance provisions of Ordinance 3246. In January 2014, your Board directed staff to return on this date with a recommendation for the new development portion of the Approved County Water Conservation Program.

Your Board last discussed the water conservation program for new development at your hearing of January 14, 2014. Information was presented regarding new development water demand, the availability of retrofit opportunities and approximate costs associated with retrofitting water fixtures.

At that hearing, staff identified three methods to implement the new development component of the water conservation program. In each of these options, the County would target market to existing development constructed prior to 1994. These structures were built with inefficient toilets and showerheads.

1. The County can contract with a licensed plumber to perform the retrofits. The County would implement, operate, monitor and report on the program's status periodically. In this option, builders would deal directly with the County without a middle man. However, there are liability, cost and prevailing wage issues to consider.
2. The County can contract with a private firm to implement, operate, monitor and report on the status of the program. An engineering firm with water system operational experience should be able to implement and run the program adequately. This option relieves the County of the program's liability and administrative burdens. However, this option may impose some additional expense on builders and may be less responsive to program problems or changes as they develop.

3. The County can allow each builder to find retrofits on his/her own. This has been done in Los Osos since 2008. However, each builder would hire a licensed plumber to perform the retrofits and certify them to the County. No bank would be created. This option places the burden on the builder and may result in difficulty in finding affordable and adequate retrofit targets.

After additional study, it does not appear that the prevailing wage will be an issue. According to the California Department of Industrial Relations, the General Prevailing Wage Determination for plumbers in this area ranges from \$25/hr. to \$64/hr. depending on the type of trade needed. According to local plumbers who participate in retrofitting programs, this rate range is consistent or perhaps lower than local wages.

Option No. 1 results in a concern with the County's potential liability exposure with this program. A licensed professional working directly for the County can expose the County to liability for long-term workmanship issues, discovery of structural problems during retrofitting and ongoing liability for work performed. Whenever the County is involved with a project, lawsuits invariably name the County regardless of the protections written into contracts. Ultimately, there is no adequate response to this long-term liability concern other than to either deal with the ramifications in the future or to choose another option. Staff does not recommend this option.

Option No. 2 seeks to address the liability concerns. The retrofit program would be run by a contractor who will retain a licensed plumber and will track water conserved through the program. Builders and property owners would deal solely with the Department of Planning and Building through the building permit process, thus minimizing potential communication issues and streamlining the process. This program would be sole-sourced to a local firm meeting the needs of the program. Staff expects that this program could be launched within 45 days under optimal conditions. This is the recommended option. However, the resolution does also allow for a landowner to hire a licensed plumber directly to perform retrofits. These "retrofit credits" would be available as offset credits for that landowner's new or expanded development.

Option No. 3 places the full burden of retrofitting existing development on each individual builder. This option would require individuals to implement the program in a large diverse groundwater basin area very unlike the urban areas that are the usual retrofit targets. While this option has minimal County involvement and represents minimal costs, it presents a problem in retrofitting a large rural area with no central water system or administrative entity. This option is not recommended.

OTHER AGENCY INVOLVEMENT/IMPACT

The County Department of Public Works and Counsel have been involved in the discussion of these options. County Counsel has approved the resolution as to form and legal effect.

FINANCIAL CONSIDERATIONS

The Department will use \$25,000 of funds already budgeted for activities in the Paso Robles Groundwater Basin for this program to implement Option No. 2.

RESULTS

If your Board provides direction to staff to pursue Option No. 2 as amended to allow for individuals to hire their own plumbers to perform retrofits, retrofitting of existing development using this program could start within 45 days.

ATTACHMENTS

Attachment 1 – Revised Resolution

Attachment 2 – Resolution showing revisions from 2/11/14